

**OPENING REMARKS BY MR K SHANMUGAM, MINISTER FOR FOREIGN
AFFAIRS AND LAW, AT THE OPENING PLENARY SESSION OF
THE 21ST CONGRESS OF THE INTERNATIONAL COUNCIL FOR COMMERCIAL
ARBITRATION (ICCA) ON 11 JUNE 2012 (MONDAY), 9.05 AM AT THE
MARINA BAY SANDS CONVENTION CENTRE**

President of the ICCA, Professor Jan Paulsson
Chairman of the SIAC, Professor Michael Pryles
Distinguished guests
Ladies and Gentlemen

Introduction

1. Welcome to Singapore
2. Honoured
 - 21st ICCA Congress is held in Singapore
 - Only the second time in the last decade that ICCA has come to Asia
 - First time – 2004
 - Much has changed in international arbitration since

Arbitration in Asia and Singapore

3. International arbitration
 - Flourishing in Asia
4. Singapore
 - Leading centre in Asia and the world
 - 2011:
 - Singapore International Arbitration Centre (SIAC) handled 188 new cases
 - Of these, 135 were international cases fully administered in accordance with SIAC's rules
 - (There were also 25 domestic cases fully administered in accordance with SIAC's rules.)
 - By contrast, the Hong Kong International Arbitration Centre administered a total of 41 new cases, and that includes domestic cases
 - 2012 is already a better year. In the first five months:
 - SIAC handled 118 new cases, compared to 59 for the same period in 2011.
 - The total value of these 118 cases is over \$2 billion.
 - This already exceeds the total value of cases handled by the SIAC for the whole of last year (\$1.3 billion).
5. Singapore's success
 - Result of focussed, systematic strategy

6. Several main ingredients:

- (1) Supportive legislative framework, based on the Model Law.
- (2) Commercially experienced Judiciary which has developed a pro-arbitration jurisprudence.
- (3) Neutral venue, straddling the East and the West.
- (4) Well-connected to the region and the world.
- (5) Developed a whole arbitration ecosystem, including:
 - Developing the SIAC as a premier arbitral institution
 - Attracting leading arbitral institutions and leading arbitration sets to set up here
 - Providing tax incentives for arbitrators and arbitration work
 - Exempting arbitrators, arbitration counsel, and arbitration related-work from the domestic rules governing lawyers

7. Our law and policies

- Are developed in consultation with industry
- Can be swiftly changed if needed
- Example:
 - March 2002: High Court¹ judgment commented that arbitration rules adopted by the parties may be excluded if they are inconsistent with the procedure in laid down in the International Arbitration Act (IAA) or the Model Law.
 - Arbitration community was concerned that party autonomy was undermined
 - To address concerns, Parliament amended IAA in October 2002
 - Clarified that the arbitral rules adopted by the parties will be given full effect, subject only to mandatory provisions of the IAA and the Model Law.

8. We will continue to take steps:

- To develop the arbitration sector
- Be pro-arbitration
- Move in line with the needs of the industry

Legal services sector

9. Developments in arbitration have occurred in tandem with liberalisation of the legal services sector

10. Our aim – to supply the increasing demand for premier legal services as Asia realises its vast economic potential

11. Policy:

- Creating more structures for foreign law practices and foreign lawyers to operate in Singapore
- Enabling Singapore law practices and Singapore lawyers to internationalise

¹ *Dermajaya Properties Sdn Bhd v Premium Properties Sdn Bhd* [2002] 1 SLR(R) 492.

12. Have achieved a considerably open legal sector:
- (1) Variety of structures available for foreign law practices to operate here
 - Licensed foreign law practices
 - Joint Law Ventures
 - Qualifying Foreign Law Practices
 - Formal Law Alliances
 - Can accommodate different business models
 - (2) Substantial presence of foreign lawyers and law practices. From 2007 to 2011:
 - Foreign law practices: increased from 63 to 116 (almost doubled)
 - Foreign lawyers: increased from 633 to 1,037 (almost doubled)

Going forward

13. Legal services and arbitration sectors are intensely competitive and global
14. Must continue to develop; to keep up with the market
15. Earlier this year, legislation was amended to:
- Allow better access to expert counsel in litigation
 - Expand collaborative options between foreign and Singapore law practices
 - Refine our IAA
16. Later this year
- The Centre of International Law and the Faculty of Law at the National University
 - Will be jointly establishing the Singapore International Arbitration Academy
 - An intensive course aimed at
 - (1) Practitioners
 - (2) Government advisors/instructing solicitors
 - Result of collaboration between leading arbitration practitioners and scholars from around the world
 - Confident that the Academy will contribute to the development of expertise in international arbitration, in a region where the need for such expertise continues to grow
17. Going forward, there will continue to be challenges.
18. Some of these challenges will be discussed over the next few days.
19. For its part, the Singapore government is determined do its part to navigate these challenges.
20. Our objective:
- To make Singapore a leading arbitration and legal services centre
 - Vibrant in its depth and diversity
 - Within the region and beyond.

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21. With that, I wish you a fruitful Congress and an enjoyable stay in Singapore.

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